

# News Release



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## **U. S. Labor Department Obtains Independent Fiduciary For Abandoned 401(k) Plan**

**CHICAGO** – The U.S. Department of Labor obtained a consent order and judgment appointing Plan Compliance Services Inc. as the independent fiduciary in order to terminate and distribute to participants the assets of the Chicago-based Edgewater Medical Center's 401(k) plan. The judgment also removes Edgewater Medical Center as the plan's administrator.

"This case demonstrates the department's commitment to taking action to protect the benefits promised to workers," said Kenneth Bazar, director of the department's Chicago regional office of the Employee Benefits Security Administration (EBSA), which investigated the case.

The judgment resulted from a lawsuit filed by the department in March 2004, alleging that Edgewater Medical Center failed to terminate the plan after the company ceased operations in December 2001, in violation of the Employee Retirement Income Security Act.

Plans become orphan plans when they are abandoned by all fiduciaries designated to manage and operate them and their assets, leaving participants and beneficiaries without a way to obtain distributions from their plan accounts.

Edgewater Medical Center filed for Chapter 11 bankruptcy in February 2002. The 401(k) plan had more than \$1 million in assets and 293 plan participants as of September 2002.

Employers and workers can reach EBSA's Chicago regional office at (312) 335-0900 or through its toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans.

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(Chao v. Edgewater Medical Center)  
Civil Action No. 04C-1835